S&T Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3928)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2022

The board (the "**Board**") of directors (the "**Directors**") of S&T Holdings Limited (the "**Company**") announces the audited consolidated results of the Company and its subsidiaries (the "**Group**") for the year ended 30 September 2022 (the "**Annual Results**"), together with the comparative figures for the year ended 30 September 2021.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 30 September 2022

	Note	**2022**	2021
		S$	*S$*
Revenue			
Services	4	**66,584,422**	47,125,976
Rental	4	**508,650**	301,893
Total revenue		**67,093,072**	47,427,869
Cost of services		**(63,875,947)**	(52,461,267)
Gross profit/(loss)		**3,217,125**	(5,033,398)
Other income	5	**1,071,870**	2,418,109
Other gains and losses	6	**3,968,919**	1,104,148
Administrative expenses		**(8,202,755)**	(8,714,593)
Reversal of expected credit losses on financial assets and contract assets, net		**233,887**	130,414
Finance costs	7	**(1,214,487)**	(1,272,699)
Share of result of a joint venture		**(528,329)**	35,719
Loss before taxation	8	**(1,453,770)**	(11,332,300)
Income tax	9	**(39,298)**	137,658
Loss and total comprehensive loss for the year		**(1,493,068)**	(11,194,642)
Basic and diluted loss per share *(S cents)*	11	**(0.31)**	(2.33)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2022

	Note	**2022**	2021
		S$	*S$*
Non-current assets			
Property, plant and equipment		**13,438,698**	17,734,962
Investment properties		**10,213,000**	9,703,000
Investment properties held under joint operations		**5,945,000**	6,215,000
Interest in a joint venture		**586,210**	1,114,539
Financial assets at fair value through profit or loss		**1,258,008**	1,249,682
Bank deposits		**506,740**	226,514
		31,947,656	36,243,697
Current assets			
Trade receivables	12	**8,263,952**	8,348,440
Other receivables, deposits and prepayments		**2,577,211**	2,051,739
Income tax recoverable		**–**	39,298
Contract assets		**21,692,831**	19,745,844
Bank balances and cash		**8,958,253**	9,306,004
		41,492,247	39,491,325
Current liabilities			
Trade and other payables	13	**19,013,518**	16,005,411
Contract liabilities		**17,085**	334,783
Bank overdrafts		**4,357,151**	6,003,932
Bank borrowings		**5,548,963**	4,117,164
Bank borrowings held under joint operations		**228,411**	229,523
Lease liabilities		**1,057,597**	1,794,779
		30,222,725	28,485,592
Net current assets		**11,269,522**	11,005,733
Total assets less current liabilities		**43,217,178**	47,249,430

	Note	2022	2021
		S$	S$
Non-current liabilities			
Bank borrowings		**9,616,580**	11,464,165
Bank borrowings held under joint operations		**3,035,171**	3,264,834
Lease liabilities		**1,569,310**	2,031,246
		14,221,061	16,760,245
Net assets		**28,996,117**	30,489,185
Capital and reserves			
Share capital		**847,680**	847,680
Reserves		**28,148,437**	29,641,505
		28,996,117	30,489,185

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

30 September 2022

1 GENERAL

S&T Holdings Limited (the "**Company**") was incorporated and registered as an exempted company in the Cayman Islands with limited liability on 17 September 2018. The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The Company was registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the "**Companies Ordinance**") on 14 December 2018 and the principal place of business in Hong Kong is Unit B, 17/F, United Centre, 95 Queensway, Hong Kong. The principal place of business is at 16 Kian Teck Way, Singapore 628749. The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") since 19 September 2019.

The Company is a subsidiary of HG TEC Holdings Limited ("**HG TEC**"), incorporated in the British Virgin Islands (the "**BVI**"), which is also the Company's ultimate holding company. HG TEC is owned by Mr. Poon Soon Huat ("**Mr. Poon**") and Mr. Teo Teck Thye ("**Mr. Teo**"). Upon the entering into the concert party deed, Mr. Poon and Mr. Teo through HG TEC became the controlling shareholders of S&T Holdings Limited and its subsidiaries (the "**Group**") (collectively referred to as the "**Controlling Shareholders**").

The consolidated financial statements are presented in Singapore dollars ("**S$**"), which is also the functional currency of the Company.

2 APPLICATION OF AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")

Amendments to IFRSs that are mandiatorily effective for the current year

In the current year, the Group has applied the following amendments to IFRSs issued by the International Accounting Standards Board ("**IASB**") for the first time, which are mandatorily effective for the Group's annual periods beginning on 1 October 2021 for the preparation of the consolidated financial statements:

IFRS 16 (Amendments)	COVID-19 Related Rent Concession beyond 30 June 2021
IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (Amendments)	Interest Rate Benchmark Reform – Phase 2

The application of the amendments to IFRSs in the current year had no material impact on the Group's financial performance and positions for the current and prior years and on the disclosures set out in these consolidated financial statements.

New and amendments to IFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to IFRSs that have been issued but are not yet effective:

IFRS 17	Insurance Contracts and related Amendments[1]
IFRS 3 (Amendments)	Reference to the Conceptual Framework[2]
IFRS 10 and IAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
IAS 16 (Amendments)	Property, Plant and Equipment: Proceeds before Intended Use[2]
IAS 37 (Amendments)	Onerous Contracts – Cost of Fulfilling a Contract[2]
IFRS Standards (Amendments)	Annual Improvements to IFRS Standards 2018–2020[2]
IAS 1 (Amendments)	Classification of Liabilities as Current or Non-current[4]
IAS 1 (Amendments) and IFRS Practice Statement 2	Disclosure of Accounting Policies[1]
IAS 8 (Amendments)	Definition of Accounting Estimates[1]
IAS 12 (Amendments)	Deferred Tax related to Assets and Liabilities arising from a Single Transaction[1]
IFRS 16 (Amendments)	Lease liability in a Sales and Leaseback[4]
IAS 1 (Amendments)	Non-current Liabilities with Covenants[4]

[1] Effective for annual periods beginning on or after 1 January 2023.
[2] Effective for annual periods beginning on or after 1 January 2022.
[3] Effective for annual periods beginning on or after a date to be determined.
[4] Effective for annual periods beginning on or after 1 January 2024.

The directors of the Company anticipate that the application of all new and amendments to IFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Group have been prepared in accordance with IFRSs issued by the IASB. In addition, the consolidated financial statements include applicable disclosures required by the Listing Rules and the Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis, except for investment properties, investment properties held under joint operations and financial assets at fair value through profit or loss that were measured at fair value at the end of each reporting period.

4 REVENUE AND SEGMENT INFORMATION

Revenue represents the fair value of amounts received and receivable from provision of construction services (including civil engineering works, building construction works and other ancillary services) by the Group to external customers and property investment being rental income from investment properties and investment properties held under joint operations.

(i) Disaggregation of revenue from contracts with customers

	2022	2021
	S$	*S$*
Type of services		
Construction services		
– Civil engineering works	**55,891,207**	42,060,546
– Building construction works	**10,522,303**	4,702,071
– Other ancillary services	**170,912**	363,359
Revenue from contracts with customers	**66,584,422**	47,125,976
Rental from property investment	**508,650**	301,893
Segment revenue *(Note 4(iv))*	**67,093,072**	47,427,869
Timing of revenue recognition		
Over time	**66,584,422**	47,125,976
Type of customers		
Corporate	**50,558,384**	33,747,891
Government	**16,026,038**	13,378,085
	66,584,422	47,125,976

(ii) Performance obligations for contracts with customers

The Group derives its revenue from provision of construction services over time.

(iii) Transaction price allocated to the remaining performance obligation for contracts with customers

The following table shows the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied as at the end of each reporting period:

	2022	2021
	S$	*S$*
Civil engineering works		
– Within one year	**63,462,575**	44,267,521
– More than one year but not more than two years	**39,124,793**	33,170,451
– More than two years but not more than five years	**32,724,054**	57,641,205
– More than five years	**–**	25,247,380
	135,311,422	160,326,557
Building construction works		
– Within one year	**6,617,815**	5,895,649
– More than one year but not more than two years	**190,662**	4,831,657
– More than two years but not more than five years	**–**	4,831,656
	6,808,477	15,558,962
	142,119,899	175,885,519

During the year, majority of the construction contracts for services provided to external customers last over 12 months (2021: 12 months).

All performance obligations for provision of other ancillary services are for periods of one year or less. As permitted under IFRS 15, the transaction price allocated to these unsatisfied performance obligations is not disclosed.

(iv) Segment information

Information is reported to the executive directors of the Company, being the Chief Operating Decision Makers ("**CODMs**") of the Group, for the purposes of resource allocation and performance assessment. The CODMs review segment revenue and results attributable to each segment, which is measured by reference to respective segments' gross profit. The Group has two operating segments as follows:

- Construction services: provision of civil engineering works, building construction works and other ancillary services to government and commercial corporations.

- Property investment: leasing of residential and industrial properties.

No analysis of the Group's assets and liabilities is regularly provided to the CODMs for review.

	2022	2021
	S$	*S$*
Segment revenue		
Construction services	**66,584,422**	47,125,976
Property investment	**508,650**	301,893
	67,093,072	47,427,869
Segment results		
Construction services	**2,854,990**	(5,186,970)
Property investment	**362,135**	153,572
	3,217,125	(5,033,398)
Unallocated:		
Other income	**1,071,870**	2,418,109
Other gains and losses	**3,968,919**	1,104,148
Administrative expenses	**(8,202,755)**	(8,714,593)
Reversal of expected credit losses on financial assets and contract assets, net	**233,887**	130,414
Finance costs	**(1,214,487)**	(1,272,699)
Share of result of a joint venture	**(528,329)**	35,719
Loss before taxation	**(1,453,770)**	(11,332,300)

(v) Geographical information

The Group principally operates in Singapore, which is also the place of domicile. The Group's revenue are all derived from Singapore (2021: 100%) and the Group's non-current assets are all located in Singapore.

(vi) Information about major customers

Revenue from customers individually contributing over 10% of total revenue of the Group during the year are as follows:

	2022	2021
	S$	*S$*
Customer I**	**–***	10,805,326
Customer II**	**–***	5,047,388
Customer III**	**9,739,575**	–*
Customer IV**	**11,704,101**	5,251,059
Customer V**	**13,244,965**	–*
Customer VI**	**8,055,860**	–*

* Revenue from the relevant customers did not contribute over 10% of the Group's total revenue for the reporting period.

** Revenue was derived from segment of construction services.

5 OTHER INCOME

	2022	2021
	S$	*S$*
Government grants *(Note i)*	**356,277**	1,430,670
Rental income from renting properties to directors	**80,400**	132,000
Rental income from renting equipment	**500,621**	314,398
Interest income from bank deposits	**248**	563
Others *(Note ii)*	**134,324**	540,478
	1,071,870	2,418,109

Notes:

(i) Government grants for the year ended 30 September 2022 mainly included, Foreign Worker Levy ("**FWL**") rebates of approximately S$314,050 (2021: S$288,200) and COVID-19-related support by the Singapore government to aid companies tide through this period of economic uncertainty, such as the Job Support Scheme ("**JSS**") of S$Nil (2021: S$1,103,640).

Under the JSS, the government co-funds between 25% to 75% of the first S$4,600 of gross monthly wages paid to each local employee in a 12-month period (up to October 2020) and 30% of the same in the subsequent 5-month period (November 2020 to March 2021).

All government grants were compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs.

(ii) During the year ended 30 September 2022, others mainly represented insurance claims of approximately S$93,000. During the year ended 30 September 2021, others mainly represented the proceed from maturity of insurance plans of approximately S$526,000.

6 OTHER GAINS AND LOSSES

	2022	2021
	S$	*S$*
Net gain on disposal of property, plant and equipment *(Note)*	**3,011,360**	932,779
Gain from sale of scrap materials	**400,726**	373,217
Net foreign exchange gain/(losses)	**303,875**	(109,104)
Fair value gains on investment properties	**510,000**	519,000
Fair value losses on investment properties held under joint operations	**(270,000)**	(620,000)
Fair value gains on financial assets at fair value through profit or loss	**8,326**	8,256
Others	**4,632**	–
	3,968,919	1,104,148

Note: During the year ended 30 September 2022, the Group disposed of a property to Mr. Poon and the Group recorded a net gain of S$1,712,819.

7 FINANCE COSTS

	2022	2021
	S$	*S$*
Interests on:		
– Bank borrowings	**830,951**	855,618
– Bank overdrafts	**288,434**	262,293
– Lease liabilities	**95,102**	154,788
	1,214,487	1,272,699

8 LOSS BEFORE TAXATION

Loss before taxation has been arrived at after charging:

	2022	2021
	S$	*S$*
Depreciation of property, plant and equipment		
recognised as cost of services	**1,880,810**	2,651,881
recognised as administrative expenses	**1,253,122**	860,778
	3,133,932	3,512,659
Expense relating to short-term leases	**296,851**	272,896
Auditors' remuneration:		
– Annual audit fees	**746,953**	1,392,100
– Non-audit services fees	**–**	47,600
Directors' remuneration	**1,077,927**	1,176,782
Other staff costs:		
– Salaries and other benefits	**6,347,530**	7,685,931
– Contributions to Central Provident Fund ("**CPF**")	**361,953**	409,882
– Foreign worker levy and skill development levy	**1,079,226**	1,061,408
Total staff costs (including directors' remuneration):	**8,886,636**	10,334,003
recognised as cost of services	**6,181,819**	7,012,646
recognised as administrative expenses	**2,704,817**	3,321,357
Cost of materials recognised as cost of services	**11,194,484**	10,289,358
Subcontracting costs recognised as cost of services	**42,105,454**	29,855,862

9 INCOME TAX

	2022	2021
	S$	*S$*
Tax expense/(credit) comprises:		
Current tax		
– Singapore corporate income tax ("**CIT**")	**–**	–
– Under provision in prior years	**39,298**	58,154
Deferred tax		
– Current year	**–**	(195,812)
	39,298	(137,658)

Singapore CIT is calculated at 17% (2021: 17%) of the estimated assessable profit of the Singapore subsidiaries. Singapore subsidiaries can also enjoy 75% tax exemption on the first S$10,000 of normal chargeable income and a further 50% tax exemption on the next S$190,000 of normal chargeable income for the years ended 30 September 2022 and 2021.

10 DIVIDENDS

No dividend has been declared by the Company or group entities during the year (2021: Nil) or subsequent to the year end.

11 LOSS PER SHARE

	2022	2021
Loss for the year attributable to owners of the Company *(S$)*	**(1,493,068)**	(11,194,642)
Weighted average number of ordinary shares in issue	**480,000,000**	480,000,000
Basic and diluted loss per share *(S cents)*	**(0.31)**	(2.33)

The calculation of basic loss per share for the years ended 30 September 2022 and 2021 is based on the loss for the year attributable to owners of the Company and the weighted average number of shares in issue.

Diluted loss per share is the same as the basic loss per share because the Group has no dilutive securities that are convertible into shares during the years ended 30 September 2022 and 2021.

12 TRADE RECEIVABLES

	2022	2021
	S$	*S$*
Trade receivables	**8,374,342**	8,216,689
Less: allowance for expected credit losses	**(110,390)**	(323,686)
	8,263,952	7,893,003
Unbilled revenue *(Note)*	**–**	455,437
	8,263,952	8,348,440

Note: Unbilled revenue represents revenue recognised but not yet billed to the customers as at year end. The Group's rights of the unbilled revenue are unconditional.

The Group grants credit terms to customers typically 30 to 35 days (2021: 30 to 35 days) from the invoice dates. The following is an aged analysis of trade receivables, net of allowance for expected credit losses, presented based on the invoice date at the end of each reporting period:

	2022	2021
	S$	*S$*
Within 30 days	**4,278,294**	4,856,319
31 days to 60 days	**1,043,449**	54,545
61 days to 90 days	**217,442**	347,486
91 days to 180 days	**699,328**	934,583
181 days to 1 year	**678,643**	1,002,309
Over 1 year	**1,346,796**	697,761
	8,263,952	7,893,003

13 TRADE AND OTHER PAYABLES

	2022	2021
	S$	*S$*
Trade payables	**4,277,396**	4,831,887
Trade accruals	**8,007,636**	5,282,894
Retention payables*	**4,136,761**	3,272,875
	16,421,793	13,387,656
Payroll and CPF payables	**1,050,231**	873,771
Deposits	**83,700**	95,900
Sundry creditors	**903,593**	632,716
GST payable	**202,843**	175,168
Accrued expenses	**351,358**	840,200
	2,591,725	2,617,755
	19,013,518	16,005,411

* The retention payables to subcontractors are interest-free and payable after the completion of maintenance period or in accordance with the terms specified in the relevant contracts for a period of generally 12 months after completion of the relevant works. These are classified as current as they are expected to be paid within the Group's normal operating cycle.

The average credit period on purchases from suppliers is 30 to 60 days or payable on delivery (2021: 30 to 60 days or payable on delivery).

The following is an ageing analysis of trade payables presented based on the invoice date at the end of each reporting period:

	2022	2021
	S$	*S$*
Within 30 days	**1,467,984**	1,049,616
31 days to 60 days	**1,067,970**	1,539,307
61 days to 90 days	**1,018,514**	1,508,521
Over 90 days	**722,928**	734,443
	4,277,396	4,831,887

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

The Group has been established for over 20 years and is principally engaged in construction services and property investment business in Singapore. The Group specialises in providing construction services and solutions in (i) civil engineering works entailing road works, earthworks, drainage works, earth retaining stabilising structure works and soil improvement works; (ii) building construction works mainly for industrial buildings which include substructure works, piling works, addition and alteration works and electrical and mechanical works; and (iii) other ancillary services which include logistics and transportation services of construction materials. The Group's property investment business primarily includes residential and industrial properties leasing.

The Group recorded an increase in total revenue of approximately S$19.7 million, from approximately S$47.4 million for the year ended 30 September 2021 to approximately S$67.1 million for the year ended 30 September 2022. The Group recorded a gross profit of approximately S$3.2 million for the year ended 30 September 2022, reversing from a gross loss of approximately S$5.0 million for the year ended 30 September 2021. The Group also recorded a decrease in net loss of approximately S$9.7 million, from approximately S$11.2 million for the year ended 30 September 2021 to approximately S$1.5 million for the year ended 30 September 2022.

The overall improvement in the Group's financial results for the year ended 30 September 2022 was mainly attributable to (i) an increase in revenue from the provision of construction services and gross profit of the Group as the disruption caused by the outbreak of COVID-19 in Singapore began to alleviate during the year ended 30 September 2022; and (ii) an increase in net gain on disposal of property, plant and equipment, partially offset by a decrease in COVID-19 related government grants due to the gradual recovery of the construction industry.

However, we continue to face with a unique mix of global headwinds, including from Russia-Ukraine War, interest rate increases to dampen inflation, to the lingering COVID-19 effects from China's lockdowns and disruptions to global supply chains. The Group's profitability remained under pressure from high administrative expenses and material costs brought by the prolonged effects of COVID-19 pandemic and high inflation. The International Monetary Fund ("**IMF**") lowered its global growth forecast for the next year by 0.5%, from 3.2% for 2022 to 2.7% for 2023. The IMF has indicated in their latest world economic outlook report that there are signs of contraction in both advanced and emerging market economies, with more than one third of global output to contract during this year or the next. China's intermittent lockdowns and struggling real estate sector will inevitably impact other economies due to its large role in global trade. The IMF further advised that fiscal and monetary tightening is likely to continue to bring down inflation and address debt vulnerabilities.

Similarly, Singapore's Ministry of Trade and Industry announced on 23 November 2022 that Singapore's GDP growth is projected to come in at approximately 3.5% for 2022 and narrow to approximately 0.5% to 2.5% for 2023. Singapore's economy grew by 4.1% on a year-on-year basis in the third quarter of 2022, easing from the 4.5% growth recorded in the previous quarter. The Monetary Authority of Singapore ("**MAS**") has also tightened monetary policy for the fifth time in a year amidst high inflation and lower growth. The MAS has allowed the Singapore dollar to continue to strengthen in order to manage inflationary pressures.

In the short term, we expect the construction industry in Singapore to remain challenging. Based on the projection from the Building and Construction Authority ("**BCA**") in Singapore, around S$27 billion to S$32 billion worth of construction contracts was expected to be awarded in 2022. However, 60% of the overall construction demand for 2022 was contributed by the public sector, of which the Group had lesser market share as compared to the private sector. The BCA also expects a sustained recovery of construction demand to reach between S$25 billion and S$32 billion per year from 2023 to 2026.

Despite the increase in the Group's total revenue during the year ended 30 September 2022, the Group is expected to face with various challenges such as rising business costs, labour constraints and tight supply of materials due to the prevalent global market headwinds.

In the near term, the Group will exercise caution and continue to pursue the following business strategies:

(a) expand the Group's core businesses and strengthen the Group's market position in the construction industry;

(b) strengthen the Group's technical capabilities and productivity through upskilling and adopting digital solutions;

(c) upgrade or replace aging machinery and equipment to enhance productivity and quality; and

(d) improve tender success rate and market eminence of public sector projects.

Moreover, the Group's financial position, results of operations and business prospects may be affected by a number of risks and uncertainties. The key risks and uncertainties identified are as follows:

(i) The Group relies on subcontractors to execute the projects and any significant increase in subcontracting charges or any substandard subcontractor works may have adverse impacts on the Group's financial results

The Group relies on subcontractors to carry out part of its projects, charges from which accounted for approximately 65.9% (for the year ended 30 September 2021: approximately 56.9%) of the Group's total cost of services for the year ended 30 September 2022. Any unexpected fluctuations in subcontracting charges during the course of execution of the Group's projects will thus have a negative impact on the Group's profitability. Besides, there is no assurance that the Group's subcontractors will always provide services at acceptable standards, and the Group may incur additional time and costs in rectifying substandard works, if any, which may cause cost overrun or delay to the projects.

(ii) Construction works are highly labour-intensive and the Group relies on a stable supply of labour to carry out its projects

There is no assurance that the supply of labour and average labour costs will remain stable at all times. When there is a significant increase in the cost of labour and the Group or the subcontractors have to retain labour by increasing their wages, the Group's staff costs and/or subcontracting charges will increase and as a result, the Group's profitability will be adversely affected. Furthermore, if the Group experiences any failure to attract and retain competent personnel or any material increase in labour costs as a result of the shortage of skilled labour, the Group's competitiveness and business would be damaged, thereby adversely affecting the Group's financial position, results of operations and future prospects.

FINANCIAL REVIEW

Revenue

The Group's revenue is primarily derived from (i) the provision of civil engineering works, building construction works and other ancillary services which include logistics and transportation services of construction materials, for both public and private sector customers; and (ii) property investment business.

The Group's civil engineering and building construction services are widely required in new infrastructure and building developments, redevelopment, additions and alterations works and upgrading projects, which involve residential, commercial and industrial buildings. For property investment business, the Group leases both industrial and residential properties to earn rental income from tenants.

The following table sets forth the breakdown of the Group's total revenue by segments:

	For the year ended 30 September			
	2022		2021	
	Revenue		Revenue	
	S$ million	*%*	*S$ million*	*%*
Construction services				
Civil engineering works	**55.9**	**83.3**	42.0	88.6
Building construction works	**10.5**	**15.6**	4.7	9.9
Other ancillary services	**0.2**	**0.3**	0.4	0.9
	66.6	**99.2**	47.1	99.4
Property investments	**0.5**	**0.8**	0.3	0.6
Total revenue	**67.1**	**100.0**	47.4	100.0

The Group's total revenue increased by approximately S$19.7 million or approximately 41.6% from approximately S$47.4 million for the year ended 30 September 2021 to approximately S$67.1 million for the year ended 30 September 2022. The overall increase in the Group's total revenue was mainly due to (i) improvement to the progress of our construction services due to further easing of COVID-19 restrictions and resumption of construction activities in Singapore during the year ended 30 September 2022, where the Group's construction activities were significantly disrupted by the Singapore government's implementation of phased resumption measures during the corresponding year ended 30 September 2021; and (ii) increase in property investment income due to higher tenancy rates from the Group's investment properties during the year ended 30 September 2022 as compared to the corresponding year ended 30 September 2021.

The increase in the Group's total revenue was mainly driven by the increase in revenue from civil engineering works and building construction works by approximately S$13.9 million and S$5.8 million, respectively.

The revenue from property investments also increased by approximately S$0.2 million from approximately S$0.3 million for the year ended 30 September 2021 to approximately S$0.5 million for the year ended 30 September 2022.

The following table sets forth the breakdown of the Group's revenue from construction services by type of customers:

	For the year ended 30 September			
	2022		2021	
	Revenue		Revenue	
	S$ million	***%***	*S$ million*	*%*
Public customers	**16.0**	**24.0**	13.4	28.5
Private customers	**50.6**	**76.0**	33.7	71.5
Total revenue from construction services	**66.6**	**100.0**	47.1	100.0

The increase in the Group's revenue from construction services was driven by the increase in revenue from both public and private customers which have increased by approximately S$2.6 million and S$16.9 million, or 19.4% and 50.1%, respectively.

Cost of services

The Group's cost of services increased by approximately S$11.4 million or approximately 21.7% from approximately S$52.5 million for the year ended 30 September 2021 to approximately S$63.9 million for the year ended 30 September 2022. Such increase in cost of services was mainly driven by the increase in revenue as discussed above.

Gross profit and gross profit margin

The Group recorded a gross profit of approximately S$3.2 million for the year ended 30 September 2022, reversing from a gross loss of approximately S$5.0 million for the year ended 30 September 2021.

The gross profit margin increased to approximately 4.8% for the year ended 30 September 2022, reversing from a gross loss margin of approximately 10.6% for the year ended 30 September 2021. The improvement in gross profit was mainly due to a significant increase in revenue from the provision of construction services as the disruption caused by the outbreak of COVID-19 in Singapore began to alleviate during the year ended 30 September 2022 as mentioned above. The significant increase in revenue outweighed the increase in cost of services and contributed to the reversal from gross loss margin to gross profit margin.

Other income

Other income decreased by approximately S$1.3 million from approximately S$2.4 million for the year ended 30 September 2021 to approximately S$1.1 million for the year ended 30 September 2022 as a result of a decrease in COVID-19 related government grants of approximately S$1.0 million received by the Group due to the gradual recovery of the construction industry for the year ended 30 September 2022.

Other gains and losses

For the year ended 30 September 2022, other gains and losses amounted to a net gain of approximately S$4.0 million, as compared to approximately S$1.1 million for the year ended 30 September 2021. The increase in net gain were mainly attributable to (i) the increase in the net gain on disposal of property, plant and equipment of approximately S$2.1 million; (ii) the increase in net foreign exchange gain of approximately S$0.4 million arising from the translation of Hong Kong dollars to Singapore dollars in respect of the Group's bank balances; and (iii) the decrease in fair value losses on investment properties held under joint operations of approximately S$0.4 million.

The increase in net gain on disposal of property, plant and equipment for the year ended 30 September 2022 mainly included the recognition of gain on disposal of a property to Mr. Poon Soon Huat, an executive Director of the Company and one of the controlling shareholders of the Company, of approximately S$1.7 million under the sale and purchase agreement dated 14 July 2022. The consideration of the transaction was S$3.4 million and the transaction was completed on 22 September 2022. For further details of the connected transaction as mentioned above, please refer to the Company's announcements dated 14 July 2022 and 19 July 2022.

Administrative expenses

Administrative expenses amounted to approximately S$8.2 million for the year ended 30 September 2022, as compared to approximately S$8.7 million for the year ended 30 September 2021. Such decrease was mainly due to the decrease in professional fees incurred for the year ended 30 September 2022.

Reversal of expected credit losses on financial assets and contract assets

The net gain on reversal of expected credit loss on financial assets and contract assets increased by approximately S$0.1 million from approximately S$0.1 million for the year ended 30 September 2021 to approximately S$0.2 million for the year ended 30 September 2022. This was mainly due to the improvement in the prevailing market environment and the expectation of the Group's collectability of financial assets and contract assets from the recovery of the construction industry.

Finance costs

The Group's finance costs decreased by approximately S$0.1 million from approximately S$1.3 million for the year ended 30 September 2021 to approximately S$1.2 million for the year ended 30 September 2022. The decrease was mainly due to the decrease in lease liabilities during the year ended 30 September 2022.

Share of result of a joint venture

Share of loss of a joint venture was approximately S$0.5 million for the year ended 30 September 2022 (for the year ended 30 September 2021: profit of approximately S$36,000). The decrease was mainly due to increase in net allowance for expected credit losses recognised on the trade receivables of the joint venture.

Income tax expense

The Group's income tax expense amounted to approximately S$39,000 for the year ended 30 September 2022 due to underprovision of Singapore income tax from prior years, as compared to an income tax credit of approximately S$138,000 for the year ended 30 September 2021 as a result of deferred tax recognised.

Loss for the year

Loss for the year decreased by approximately S$9.7 million from approximately S$11.2 million for the year ended 30 September 2021 to approximately S$1.5 million for the year ended 30 September 2022. This was mainly due to the increase in revenue and gross profit for the year ended 30 September 2022 as discussed above.

FINAL DIVIDEND

The Board has resolved not to recommend the declaration of a final dividend for the year ended 30 September 2022 (for the year ended 30 September 2021: Nil).

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of its debt and equity. The Group's overall strategy in the objective, policies or processes for managing capital remains unchanged since the listing of the Company's shares (the "**Listing**") by way of share offer (the "**Share Offer**") in September 2019. The capital structure of the Group consists of debt, which includes bank overdrafts, bank borrowings (including bank borrowings held under joint operations) and lease liabilities, net of bank deposits, bank balances and cash, and equity attributable to owners of the Company, comprising share capital and reserves. There had been no material change in the capital structure of the Group during the year ended 30 September 2022.

The Group finances its working capital, capital expenditures and other liquidity requirements through a combination of cash and cash equivalents and net proceeds from the Share Offer. The Group's cash, mainly denominated in Singapore dollars and Hong Kong dollars, is generally deposited with certain financial institutions.

As at 30 September 2022, the Group had bank balances and cash of approximately S$9.0 million as compared to approximately S$9.3 million as at 30 September 2021. The Group had total bank overdrafts, bank borrowings (including bank borrowings held under joint operations) and lease liabilities of approximately S$25.4 million as compared to approximately S$28.9 million as at 30 September 2021.

Gearing ratio

Gearing ratio is calculated by dividing all bank overdrafts, bank borrowings (including bank borrowings held under joint operations) and lease liabilities by total equity at the year-end date and expressed as a percentage. The gearing ratio of the Group as at 30 September 2022 was approximately 87.6% (as at 30 September 2021: approximately 94.8%). The decrease in gearing ratio was mainly due to the decrease in bank overdrafts and leased liabilities as at 30 September 2022.

Charges on group assets

As at 30 September 2022, (i) bank deposits of approximately S$0.5 million (as at 30 September 2021: approximately S$0.2 million); (ii) owner-occupied properties with carrying value of approximately S$8.5 million (as at 30 September 2021: approximately S$10.5 million); (iii) investment properties with carrying value of approximately S$10.2 million (as at 30 September 2021: approximately S$9.7 million); and (iv) investment properties held under joint operations with carrying value of approximately S$5.9 million (as at 30 September 2021: approximately S$6.2 million) has been pledged to a bank to secure banking facilities including bank borrowings granted to the Group.

Treasury policy

The Group has adopted a prudent financial management approach towards its treasury policy and thus maintained a healthy financial position throughout the year. The Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements at all times.

FOREIGN EXCHANGE RISK

The Group mainly operates in Singapore. Most of the operating transactions and revenue were settled in Singapore dollars and the Group's assets and liabilities are primarily denominated in Singapore dollars. However, the Group has certain bank balances and other payables denominated in Hong Kong dollars amounting to approximately S$8.3 million and S$0.7 million, respectively, as at 30 September 2022 which expose the Group to foreign currency risk. The Group does not have a foreign currency hedging policy. However, the Group manages the risk by closely monitoring the movements of the foreign currency rate and would consider hedging against significant foreign currency exposure should it be necessary.

SIGNIFICANT INVESTMENTS HELD

The Group's significant investments comprised investment properties and investment properties held under joint operations.

Investment properties

The following table sets forth the investment cost, fair value and size relative to the Group's total assets as at the dates indicated:

	As at 30 September 2022			As at 30 September 2021		
Significant investments	**Investment cost** *(S$)*	**Fair value** *(S$)*	**Percentage to the Group's total assets**	Investment cost *(S$)*	Fair value *(S$)*	Percentage to the Group's total assets
21 Toh Guan Road East #01-10, Singapore 608609	**992,640**	**1,510,000**	**2.0%**	992,640	1,480,000	2.0%
21 Toh Guan Road East #01-11, Singapore 608609	**1,667,700**	**1,510,000**	**2.0%**	1,667,700	1,480,000	2.0%
45 Hillview Avenue #01-05, Singapore 669613	**1,334,600**	**2,110,000**	**2.9%**	1,334,600	1,950,000	2.6%
45 Hillview Avenue #01-06, Singapore 669613	**1,334,600**	**2,100,000**	**2.8%**	1,334,600	1,940,000	2.6%
11 Kang Choo Bin Road #01-01, Singapore 548315	**1,264,075**	**1,360,000**	**1.8%**	1,264,075	1,300,000	1.7%
11 Kang Choo Bin Road #01-03, Singapore 548315	**1,529,979**	**1,623,000**	**2.2%**	1,529,979	1,553,000	2.1%
Total	**8,123,594**	**10,213,000**	**13.7%**	8,123,594	9,703,000	13.0%

Investment properties held under joint operations

The following table sets forth the investment cost, fair value and size relative to the Group's total assets as at the dates indicated:

Significant investments	Proportion of the Group's ownership interest	As at 30 September 2022 Investment cost attributable to the Group *(S$)*	As at 30 September 2022 Fair value attributable to the Group *(S$)*	As at 30 September 2022 Percentage to the Group's total assets	As at 30 September 2021 Investment cost attributable to the Group *(S$)*	As at 30 September 2021 Fair value attributable to the Group *(S$)*	As at 30 September 2021 Percentage to the Group's total assets
7 Soon Lee Street #01-13, Singapore 627608 *(Note (i))*	50%	**2,017,048**	**1,505,000**	**2.0%**	2,017,048	1,780,000	2.4%
114 Lavender Street, #01-68 CT Hub 2, Singapore 338729 *(Note (ii))*	50%	**4,985,271**	**4,440,000**	**6.0%**	4,985,271	4,435,000	5.9%
Total		**7,002,319**	**5,945,000**	**8.0%**	7,002,319	6,215,000	8.3%

Notes:

(i) The property is held under joint operation with Chartered Employment Agency Pte Ltd.

(ii) The property is held under joint operation with Poh Wah Group Pte Ltd.

The Company's investment strategy for investment properties and investment properties held under joint operations

The Group's strategy is to continuously establish an investment property portfolio which is able to add an alternative, stable and recurring revenue stream to the Group's overall business and also to diversify risk of any potential change in the construction industry; and for potential capital appreciation purposes. Depending on prevailing market conditions (i.e. price and reasonable returns), the Group would from time to time solidify its property investment business by (i) identifying value adding investment properties in future; and (ii) evaluating existing portfolio on an going basis and selling or replacing less performing investment properties.

Save as disclosed in this announcement, the Group did not hold other significant investments during the year ended 30 September 2022.

MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANIES OR JOINT VENTURES

There were no material acquisitions or disposals of subsidiaries and affiliated companies or joint ventures by the Group for the year ended 30 September 2022.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in the Company's prospectus dated 29 August 2019 (the "**Prospectus**") and this announcement, the Group did not have other future plans for material investments or capital assets as at 30 September 2022.

EMPLOYEES AND REMUNERATION POLICY

As at 30 September 2022, the Group had a total of 200 employees (as at 30 September 2021: 204 employees), including two executive Directors but excluding three independent non-executive Directors. Total staff costs including Directors' emoluments, salaries, wages and other staff benefits, contributions and retirement schemes for the year ended 30 September 2022 amounted to approximately S$8.9 million (for the year ended 30 September 2021: approximately S$10.3 million).

In order to attract and retain high quality staff and to enable smooth operations within the Group, the remuneration policy and package of the Group's employees are periodically reviewed. The salary and benefit levels of the employees of the Group are competitive (with reference to market conditions and individual qualifications and experience). The Group provides adequate job training to the employees to equip them with practical knowledge and skills. Apart from contributions to the Central Provident Fund and job training programs, salary increments and discretionary bonuses may be awarded to employees according to the assessment of individual performance and market situation. The emoluments of the Directors have been reviewed by the remuneration committee of the Company, having regard to the Group's operating results, market competitiveness, individual performance and achievement, and approved by the Board.

PERFORMANCE BONDS

As at 30 September 2022, the Group had performance bonds of approximately S$16.9 million (as at 30 September 2021: approximately S$16.9 million) given in favour of the Group's customers as security for the due performance and observance of the Group's obligation under the contracts entered into between the Group and the customers. The performance guarantees will be released upon completion of the contracts.

CAPITAL EXPENDITURES AND CAPITAL COMMITMENTS

During the year ended 30 September 2022, the Group acquired items of property, plant and equipment of approximately S$1.0 million (for the year ended 30 September 2021: approximately S$1.0 million).

As at 30 September 2022, the Group had no material capital commitments (as at 30 September 2021: Nil).

USE OF NET PROCEEDS FROM THE SHARE OFFER

The net proceeds from the Share Offer (after deducting listing expenses) amounted to approximately HK$86.3 million (equivalent to approximately S$15.2 million). An analysis of the utilisation of the net proceeds from the Share Offer from 19 September 2019 (the "**Listing Date**") up to 30 September 2022 is set out below:

Purposes	Planned use of net proceeds		Planned amount of net proceeds to be utilised from the Listing Date up to 30 September 2022	Actual amount of net proceeds utilised from the Listing Date up to 30 September 2022	Unutilised amount of net proceeds as at 30 September 2022	Expected timeline for the use of the remaining balance of the net proceeds
	HK$ million	*%*	*HK$ million*	*HK$ million*	*HK$ million*	
Strengthening the Group's financial position	21.8	25.3	21.8	21.8	–	N/A
Enhancing the Group's machinery fleet	31.0	36.0	31.0	31.0	–	N/A
Strengthening the Group's workforce	11.6	13.4	11.6	11.6	–	N/A
Developing production area for steel bar fabrication	2.0	2.3	2.0	2.0	–	N/A
Investing in BIM and ERP systems	5.3	6.1	5.3	–	5.3	by 30 September 2023
Acquiring investment properties	14.6	16.9	14.6	–	14.6	by 30 September 2023
Total	86.3	100.0	86.3	66.4	19.9	

As at 30 September 2022, the unutilised amount of net proceeds was placed in interest-bearing deposits with authorised financial institutions or licensed banks in Hong Kong and Singapore. Up to 30 September 2022, all net proceeds were applied in accordance with the planned use as previously disclosed in the Prospectus and the remaining net proceeds are expected to be used as planned.

Reasons for the delay in use of net proceeds from the Share Offer

The reasons for the delay in use of net proceeds from the Share Offer with respect to the investing in BIM and ERP systems and acquiring investment properties are as follows:

(a) Due to the prolonged disruption of COVID-19 to the Group's business operations over the past few years and the challenges from the global economic slowdown brought about from supply disruptions, high inflation and other geo-political tensions, the Group adopted a prudent approach to preserve the cash position and liquidity of the Group;

(b) The Group required additional time to shortlist and select suitable vendors for ERP systems to enhance our operational productivity; and

(c) The Group required additional time to look for more suitable properties due to recent cooling measures implemented by the Singapore government to dampen the property market price volatility.

In view of the above, the Group expects that the remaining unutilised amount of net proceeds will be utilised by the year ending 30 September 2023 depending on the development and impact of the prevailing economic conditions on the business operation in Singapore.

CORPORATE GOVERNANCE

The Company complied with the code provisions as set out in the Corporate Governance Code contained in Appendix 14 of Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") during the year ended 30 September 2022.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 of the Listing Rules as the codes of conduct regarding securities transactions by Directors and by relevant employees of the Group. All Directors have confirmed, following specific enquiries by the Company, that they fully complied with the Model Code and its code of conduct regarding the Directors' securities transactions during the year.

SHARE OPTION SCHEME

The Company adopted a share option scheme (the "**Share Option Scheme**") on 23 August 2019. The principal terms of the Share Option Scheme are summarised in Appendix V to the Prospectus. The purpose of the Share Option Scheme is to attract and retain the best available personnel of the Group, to provide additional incentive to employees (full-time and part-time), directors, consultants, advisors, distributors, contractors, suppliers, agents, customers, business partners or service providers of the Group and to promote the success of the business of the Group. No share option has been granted, exercised, cancelled or lapsed under the Share Option Scheme since its adoption on 23 August 2019 and during the year ended 30 September 2022, and there is no outstanding share option as at 30 September 2022.

COMPETING INTERESTS

The Directors confirm that neither the controlling shareholders of the Company nor their respective close associates is interested in a business apart from the Group's business which competes or is likely to compete, directly or indirectly, with the Group's business during the year ended 30 September 2022, and is required to be disclosed pursuant to Rule 8.10 of the Listing Rules.

COMPLIANCE ADVISER'S INTERESTS

As notified by the Company's compliance adviser, Grande Capital Limited (the "**Compliance Adviser**"), as at 30 September 2022, except for the supplemental compliance adviser agreement entered into between the Company and the Compliance Adviser dated 8 April 2022, the Compliance Adviser nor its directors, employees or close associates had any interests in relation to the Company, which is required to be notified to the Company pursuant to the Listing Rules.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

During the year ended 30 September 2022, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

EVENT AFTER THE REPORTING PERIOD

Discloseable Transaction on Disposal of a Property

On 3 November 2022, an indirect wholly-owned subsidiary of the Company, Sing Tec Development Pte. Ltd. (the "**Vendor**") granted an Option To Purchase to an independent third party, Mr. Liu Chao (the "**Purchaser**") dated 3 November 2022, pursuant to which the Vendor has agreed to sell a property situated at 39 Pavilion Place, Singapore 658375 (the "**Property**"), at the consideration of S$3.72 million to the Purchaser, and the Purchaser has the option to purchase the Property. The consideration of S$3.72 million was determined after arm's length negotiations between the Group and the purchaser with reference to the valuation of the Property as at 26 October 2022 at S$3.7 million, as appraised by an independent valuer based on the direct comparison method. On 17 November 2022, the Purchaser exercised the Option To Purchase to purchase the Property from the Vendor. As at the date of this announcement, the transaction has not yet completed and the sale and purchase of the Property shall be completed within 12 weeks from the date of exercising of the Option To Purchase. It is expected that the net proceeds from the disposal will be used by the Group for general working capital.

The consideration at approximately S$186,000 was received by the Group as at the date of this announcement. Further details in respect of this discloseable transaction are set out in the Company's announcements dated 3 November 2022 and 17 November 2022.

Save as disclosed above, the Directors are not aware of any significant event which had material effect on the Group subsequent to 30 September 2022 and up to the date of this announcement.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Directors confirmed that the Company has maintained a sufficient amount of public float for its shares as required under the Listing Rules since the Listing Date and up to the date of this announcement.

REVIEW OF ANNUAL RESULTS ANNOUNCEMENT BY INDEPENDENT AUDITORS

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 30 September 2022 as set out in this announcement have been agreed by HLB Hodgson Impey Cheng Limited ("**HLB**") to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by HLB in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by HLB on this announcement.

AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Committee**") has reviewed the Annual Results and discussed with the management of the Company and HLB on the accounting principles and practices adopted by the Group. The Audit Committee was of the view that the preparation of such results complied with the applicable accounting standards and requirements as well as the Listing Rules and that adequate disclosures have been made.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.singtec.com.sg). The annual report of the Company for the year ended 30 September 2022 will be published on the aforesaid websites and despatched to the shareholders of the Company in due course.

By Order of the Board
S&T Holdings Limited
Poon Soon Huat
Chairman and Executive Director

Hong Kong, 30 December 2022

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Poon Soon Huat and Mr. Koh Chew Chiang (alias Xu Zhouchang) (formerly known as Faris Koh); and three independent non-executive Directors, namely Mr. Chan Kwok Wing Kelvin, Mr. Tam Hon Fai and Mr. Wong Ka Bo Jimmy.